



Determine what you do best. And then find ways to do more of it.

That's a pretty good formula for success, especially when it comes to economic development.

Agriculture—growing crops and raising animals—is what Nebraska does best. Agriculture accounts for more than \$22 billion of the gross state product of Nebraska. More than one-fourth of Nebraska's economy can be attributed to the ag production complex. Nebraska is among the

national leaders in crop production, livestock production and biofuels.

Bottom line: In Nebraska, Agriculture = Economic Development,

"Nebraska has a world-class agricultural system and that's a clear advantage that we need to leverage in every way possible," said Ken Lemke, economist for Nebraska Public Power District. "There's no doubt in my mind that the best ag technology, the best livestock technology and the best producers in the world are in Nebraska, and we need to keep it that way."

"The sheer volume of commodities we produce. A plentiful water supply. The reputation of our workforce. The fact that we're within two days trucking distance of 90 percent of the nation's population. These are all Nebraska advantages that can help us leverage our state's strength in agriculture production and processing for statewide economic vitality and growth," said Courtney Dentlinger, director of the Nebraska Department of Economic Development.

As Nebraska looks for ways to generate economic vitality, increase its tax base, and retain young talent, there is no question that our strength in agriculture is an important foundation on which to build.







Nebraska's crop producers are among the most productive in the world, continually breaking yield records as they grow more corn, soybeans and other commodities with fewer and fewer inputs. The true opportunity for Nebraska's economic future is to transform that abundance into added value.

"We only have so many available crop acres in the state, so the only way we can make significant gains in crop production is through continual improvements in yield, technology and innovation—and that is happening," said Greg Ibach, director of the Nebraska Department of Agriculture. "But if we really want to create a new engine of wealth in our communities, we need to be talking about livestock expansion and value-added processing."

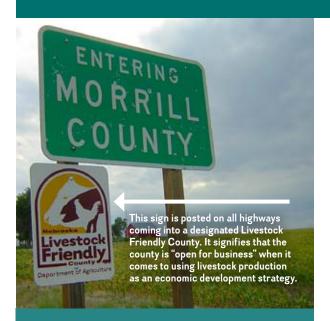
Livestock expansion can be as simple as a farmer adding a hog or poultry barn on a pivot corner, an area of the field that typically does not produce high grain yields. A couple of those barns can generate enough income to support a son or daughter returning to the farm or be used as a strategy to mitigate risk.

"When you add livestock to a crop operation, you have two enterprises at work to determine farm profitability instead of just one," lbach added. "It adds diversity and improves the risk management and potential profitability for an individual farmer."

Groups such as the Alliance for the Future of Agriculture in Nebraska (A-FAN), supported in part with Nebraska corn checkoff dollars, are working with farmers and ranchers to expand responsible livestock production in ways that are sustainable, environmentally sound and neighbor-friendly.

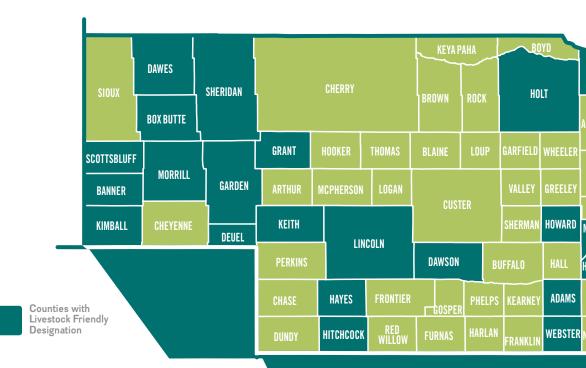
ANIMAL AGRICULTURE IN NEBRASKA

Source: Agralytica Consulting, 2014: "Animal Agriculture Economic Analysis: 2003-2015. A Report for United Soybean Board."



The 6 Factors for Livestock Friendly Designation

- The county is committed to developing the livestock production and processing sector of the county's economy
- Evidence or information that the county is working with all other governmental jurisdictions within its boundaries to support livestock development
- The county has taken steps to reduce nonfarm development and nonfarm residential density and to discourage land uses that conflict with animal agriculture in areas identified for agriculture
- Procedures for obtaining permits and application of other regulatory requirements applicable to livestock producers are clearly documented and based on objective, science-based standards that provide fair, objective and predictable results
- Design and site requirements and conditions placed on animal feeding operations are reasonable and justifiably related to purposes identified in the zoning regulations
- Setbacks and separation distances required between animal feeding operation and other uses are reasonable and justifiable



Nebraska's Livestock F

ou've probably seen one of the signs as you cross a county line in Nebraska—welcoming you to a "Livestock Friendly County." What does that mean anyway?



"It's a way for a county to say that it's open for business when it comes to livestock development," said Steve Martin, ag promotion coordinator for the Nebraska Department of Agriculture.

"A lot of counties are starting to realize that, in attempting to control who comes into their county, they have limited the opportunities to producers who already live in the county—and in some cases,

have driven them out," Martin said. "The reality is that most of the growth we're going to see is going to happen within the community."

The impetus for Livestock Friendly designation must come from the counties themselves; the Nebraska Department of Agriculture does not "recruit" counties to apply for the program. In fact, some of Nebraska's largest livestock-producing counties are not officially designated.

It's a simple process, according to Martin. "A public hearing of the county board, supervisors or commissioners is held to discuss whether or not to make application for designation. If they resolve to apply, they submit the application and we evaluate it based on six main criteria," he said. (See sidebar)



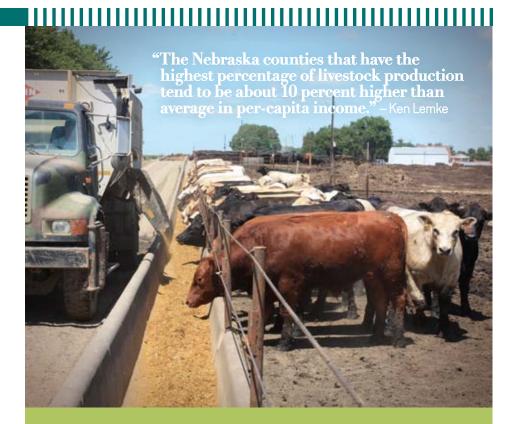
riendly Counties

The program is making a difference. "We are fortunate that two of the four counties we serve have received Livestock Friendly designation," said Dave Behle, key accounts and economic development manager with Dawson Public Power in Lexington. "We've been able to get support from the elective bodies as they have seen the importance and positive impact of agriculture on their communities."

Knox County saw immediate results when it achieved designation. "The day after we adopted our new regulations to become livestock friendly, two operations began working with me on applications to expand their feedlots," noted Liz Doerr, Knox County zoning administrator. "We've focused on siting livestock operations in our primary ag district, while also protecting the lake and river areas that are critical to tourism in our area."



"The program is not necessarily about making it easier to site new livestock facilities; it's more about adding clarity and consistency to the process," Martin said. "That process is still a public process, but there are clear zoning and permitting guidelines that officials can use to make a determination—and that producers can use to prepare a proposal that meets those standards."



Livestock Production Tied Closely to Per Capita Income in Nebraska Counties



Adding livestock numbers to a county doesn't just add animals and jobs. It adds real money to the bank accounts of people who live in that county.

"The Nebraska counties that have the highest percentage of livestock production tend to be about 10 percent higher than average in per-capita income," said Ken Lemke, economist

for Nebraska Public Power District. "For every 100 jobs in livestock production, there is a minimum of 30 to 100 additional jobs created within the county."

Quoting a study by the Bureau of Business Research at the University of Nebraska–Lincoln, Lemke noted that the impact of livestock is pervasive across the state. "Even in the Omaha and Lincoln metro areas, the agricultural complex in Nebraska accounts for 20 to 25 percent of the sales and employment. That percentage, of course, is even higher in other areas of the state," he said.

"The purpose of economic development is to improve the lives of people living within the county or the area—and livestock production is definitely an economic development strategy for Nebraska," Lemke said.

We know what's for dinner.







But how about breakfast?

Poultry, dairy and pork offer significant opportunity for Nebraska's economy.

ebraska's reputation as "The Beef State" is well deserved. After all, Nebraska consistently battles Texas for the top national spot for cattle on feed—and Nebraska processes more cattle than any other state.

But, diversification is as important in agriculture as it is in one's personal investment portfolio. "Diversity can help protect producers and our state's economy from market volatility," said Willow Holoubek, executive director of the Alliance for the Future of Agriculture in Nebraska (A-FAN). "That's why we need to expand awareness of the value of livestock production in Nebraska."

The animals that produce eggs, bacon and milk offer a significant opportunity for responsible livestock expansion across the state.

Hendrix-ISA, a Netherlands based company, recently announced a \$10 million, 60,000 square-foot chicken hatchery in Grand Island that will hatch 100,000 chicks every day. Nebraska is also home to several egg-laying facilities as well as the SmartChicken® processing plant in Tecumseh. The state continues to be the center of attention of other poultry-related companies seeking a location, with a major poultry operation considering a location near Fremont.

"I think people are a little surprised by the surge of poultry interest in Nebraska, but it makes sense when you think about it," said Courtney Dentlinger, director of the Nebraska Department of Economic Development. "With a smaller poultry industry, we have fewer biosecurity concerns. We have a good supply of water and feedstuffs that poultry producers need."

Nebraska has been mounting an aggressive initiative to attract both dairy farmers and dairy processing to the state, as well as help existing dairy operators expand. Nebraska is home to 180 dairies with an average size of 300 cows.

The Nebraska Corn Board is helping support the effort to attract additional milk processing to Nebraska, with a special emphasis

on specialty cheeses. The "Grow Nebraska Dairy" initiative is being led by the Nebraska State Dairy Association, A-FAN, Nebraska Department of Agriculture, Nebraska Department of Economic Development and Nebraska Extension.

"A single dairy cow generates about \$5,000 in farm sales each year and the majority of that is spent within 50 miles of the dairy itself," said Rod Johnson, executive director of the Nebraska State Dairy Association. "So one 300-cow operation is a \$1.5 million business in a community."



"A 2,000-head dairy can put \$10 million in economic vitality into the local community—and that number repeats itself every year," said A-FAN's Willow Holoubek. "Those dollars are generated through salaries, grain purchases from local farmers, nutritionists, veterinarians, trucking and many other activities."

Pork production is another growth opportunity for the state, especially in diversifying a crop operation (See related story on page 3). A single 2,400 head hog finishing barn uses roughly 43,000 bushels of corn and provides a continuous and long-term supply of manure, which can improve soil quality and reduce input costs.



Typically, the farmer owns the facility and contracts with a company to finish the hogs. A 2,400-head hog barn can create a total annual net return to the farmer of more than \$87,000 including the added value of the manure he puts on his fields.

"Integrating hog finishing into a row crop operation provides dependable, long-term annual return, increases annual farm income, and creates opportunity for the next generation of farmers," said

Al Juhnke, executive director of the Nebraska Pork Producers Association.



rowing Nebraska's economic base through agriculture is not solely about growing crops or raising livestock. Nebraska has a manufacturing sector that is closely tied to agriculture—and that creates thousands of jobs and billions of dollars in economic activity.

Nebraska is the second largest ethanol producer in the nation. But that industry would not have grown here if not for the state's ability to produce corn and cattle.

Nebraska is typically first or second in the nation in terms of cattle on feed and beef processing. The state is second in ethanol production and third in corn production.

"That's not an accident," said Ken Lemke, an economist with the Nebraska Public Power District. "It all comes together because there is a symbiotic relationship between those three sectors—and Nebraska is blessed to have a robust presence in all three."

Nebraska's ethanol plants have created more than 1,300 full-time jobs, with thousands more jobs created in related sectors. "The ethanol industry has been very positive, but it has also created additional investment that is staying local," said Dave Behle, key accounts and economic development manager with Dawson Public Power. "Feedlots, dairies, pork production, trucking, feed mills—all that money stays in the community and that is huge."

The Cargill plant at Blair was the world's first to transform corn into polylactic acid (PLA), which is used to make compostable bioplastics. Consider as well that the world's top echelon of pivot irrigation companies are all headquartered in Nebraska, which makes sense given that the technology itself was created here—and the fact that Nebraska has more irrigated acres than any other state. That is also a reason that Nebraska is one of the top locations for seed genetic companies to develop new hybrids and varieties.

Nebraska is home to companies that manufacture everything from tillage equipment to fertilizers; from combines to plastic pivot tires; from grain bins to

cattle fencing.



"We have a new \$1.2 million truck washing facility here in Lexington and it's the only facility on the interstate for cattle trucks between

Denver and Omaha," said Jennifer Wolf, economic development director in Dawson County. "We have a high-tech company that purchases blood from the Tyson beef processing facility in Lexington and extracts the iron to make iron supplements. Without a thriving livestock industry, we wouldn't have spinoff businesses like this that lead to new investment and jobs right here."

Nebraska poised for leadership in bioscience boom.



From seed genetics to nutritionally advanced foods; from corn-based plastics to high-tech animal health—Nebraska is poised to capitalize on the next wave of scientific breakthroughs in the biosciences. And that can lead to a high-tech revolution in the state that would create great

jobs and strengthen the state's global leadership in value-added agriculture.

"Nebraska is well suited to become a leader in ag biosciences because of the infrastructure we have in place," said Phil Kozera, executive director of Bio Nebraska Life Sciences Association. He cited the state's leadership in ethanol production as an example.

"When you look at the investment that has been made in ethanol and the biofuels campuses that are positioned around the state, there are tremendous opportunities for next-generation companies to evolve," Kozera added. He said that green chemicals, nutraceuticals, textiles, food packaging and pet food are among the ag-based industries emerging from Nebraska's abundance.

"Nebraska companies are feeding, fueling and healing the world," Kozera said. "And much of that impact is rooted in agriculture."



The state's unique combination of livestock, ethanol and corn is known as Nebraska's "Golden Triangle."

A-FAN Lunchbox Program Provides Food for Thought to Community Leaders

The Alliance for the Future of Agriculture in Nebraska—A-FAN—is delivering a "lunchbox" to community leaders across the state and asking them to share its contents with others.

The lunchbox actually contains a full menu of materials used to tell the story of Nebraska's livestock sector—and how responsible livestock production is a major economic driver for communities and the entire state. The lunchbox is distributed to planning and zoning officials, county commissioners and opinion leaders in Nebraska communities in an effort to raise awareness of the economic contributions and opportunities within livestock production.



"These materials make it very clear that expansion of responsible livestock production is a sound economic development strategy for a community," said Willow Holoubek, executive director of A-FAN. "We want to help community leaders understand that farms and ranches are well-run and well-managed businesses that generate jobs, tax revenue and economic vitality."

To discover more, visit farmersandranchersdeliver.com.

WHAT IF NEBRASKA PRODUCED 3X MORE EGGS?

Tripling egg production in Nebraska would generate tremendous economic activity and annual tax revenue:



TOTAL LOCAL TAX REVENUE $\$9.8\,\mathrm{MILLION}$

An example of the type of information included in the A-FAN Lunchbox distributed to community leaders.





District 1 **Dave Bruntz**Friend, NE





District 2 **John Greer**Edgar, NE





District 3 **Brandon Hunnicutt** Giltner, NE





District 8

Jon Holzfaster
Paxton, NE







At-large **Alan Tiemann**Seward, NE

District 5 **Tim Scheer**St. Paul, NE



Nebraska Corn Board members represent the eight districts indicated on the map and are appointed by the Governor. One at-large member is elected by the other Board members.

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